

DORSEY, KING, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)  
FRANK N. KING, JR.  
STEPHEN D. GRAY  
WILLIAM B. NORMENT, JR.  
J. CHRISTOPHER HOPGOOD  
S. MADISON GRAY

TELEPHONE  
(270) 826-3965  
TELEFAX  
(270) 826-6672  
www.dkgnlaw.com

October 15, 2008

**RECEIVED**

**OCT 15 2008**

**PUBLIC SERVICE  
COMMISSION**

HAND DELIVERED

Ms. Stephanie Stumbo  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

Re: Case No. 2008-00218

Dear Ms. Stumbo:

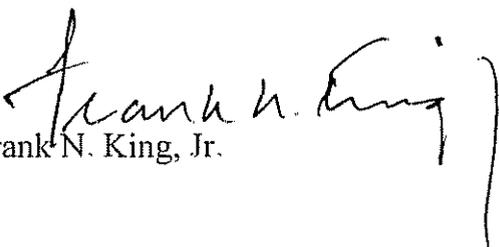
The amendments to the special retail contracts accepted by the Commission in the above case have been further extended. This has been accomplished with the execution of Supplemental Extension of First Amendment for each of the smelter customers, Century Aluminum of Kentucky General Partnership and Alcan Primary Products Corporation. The supplemental extensions were pursuant to the terms of the special contracts and do not require further acceptance by the Commission, as has been discussed previously with Staff Counsel Richard Raff. We enclose herewith for the Commission's files copies of the Supplemental Extension of First Amendment and the accompanying Request for Power and Consent for each of the two (2) smelter customers.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, KING, GRAY, NORMENT & HOPGOOD

By

  
Frank N. King, Jr.

FNKJr/cds

Encls.

COPY/w/encls: Mr. David Brown  
Mr. James Miller  
Mr. David Hamilton  
Mr. David Spainhoward

OCT 15 2008

PUBLIC SERVICE  
COMMISSION

**SUPPLEMENTAL EXTENSION OF FIRST AMENDMENT  
DATED JUNE 6, 2008  
TO  
AGREEMENT FOR TIER 3 ENERGY**

THIS SUPPLEMENTAL EXTENSION is entered into as of this 14th day of October, 2008, by and between KENERGY CORP., a Kentucky electric cooperative corporation organized under KRS Chapter 279 ("Kenergy"), and BIG RIVERS ELECTRIC CORPORATION, a Kentucky electric cooperative corporation ("Supplier" or "Big Rivers").

RECITALS:

A. Kenergy and Supplier have entered into a First Amendment ("First Amendment") dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007 pursuant to which First Amendment Supplier agreed to sell to Kenergy and Kenergy agreed to purchase from Supplier for resale to Century Aluminum of Kentucky General Partnership ("Century") 63 MW of System Firm Tier 3 Energy, denominated as Block A-1 Energy, during On-Peak Hours on Saturdays, Sundays and NERC Holidays during the ten (10) week period from July 1, 2008 through September 9, 2008. The rates, terms and conditions contained in the First Amendment have been accepted by the Kentucky Public Service Commission for resale by Kenergy to Century in KPSC Case No. 2008-00218.

B. By Extension dated September 5, 2008, (the Extension") Supplier and Kenergy agreed to extend the First Amendment for a period of eight (8) weeks from September 10, 2008 through November 4, 2008 at a rate of \$50.00 per MWh.

C. Supplier, Kenergy, Century, E.ON U.S. ("E.ON") and others are currently parties to a prospective transaction pursuant to which, if consummated, Supplier and E.ON will, among other things, terminate a certain Lease Agreement dated July 15, 1998 and related agreements.

Such prospective transaction is hereafter referred to as the "Unwind Transaction."

D. Supplier and Kenergy have now agreed to further extend the First Amendment from November 5, 2008 to a date that is the earlier to occur of March 2, 2009 or the closing date of the Unwind Transaction.

E. The Parties desire to document the foregoing by entering into this Supplemental Extension.

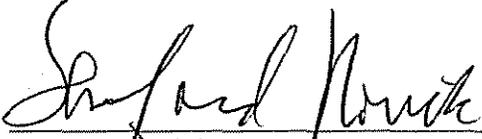
NOW, THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

1. The First Amendment, setting forth the delivery obligation of Supplier and the ~~purchase obligation of Kenergy for Block A-1 Energy, is hereby further extended from~~ November 5, 2008 to a date that is the earlier to occur of March 2, 2009 or the closing date of the Unwind Transaction.

2. All terms and conditions of the First Amendment and the Extension shall remain in full force and effect including the rate of \$50.00 per MWh.

IN WITNESS WHEREOF, this Supplemental Extension is hereby executed as of the day and year first above written.

KENERGY CORP.

By:   
Sanford Novick  
President and CEO

BIG RIVERS ELECTRIC CORPORATION

By: Mark A. Bailey  
Mark A. Bailey  
Executive Vice President and Chief  
Operating Officer

---

REQUEST FOR POWER

Century Aluminum of Kentucky General Partnership ("Century") hereby requests Kenergy Corp. ("Kenergy") to enter into the Supplemental Extension dated October 14, 2008 ("Supplemental Extension"), attached hereto, of the First Amendment dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007, such Supplemental Extension to be effective from November 5, 2008 to a date that is the earlier to occur of March 2, 2009 or the closing date of the "Unwind Transaction," as that term is defined in the Supplemental Extension. Pursuant to the Supplemental Extension, Supplier will sell to Kenergy and Kenergy will purchase from Supplier for resale to Century 63 MW of System Firm Tier 3 Energy, denominated as Block A-1 Energy, during On-Peak Hours on Saturdays, Sundays and NERC Holidays during said period at the rate of \$50.00 per MWh.

In consideration thereof, Century agrees to purchase from Kenergy at retail the delivered amounts of such Tier 3 Energy on the same terms and conditions and at the same rate contained in the Supplemental Extension plus the applicable distribution fee included in Kenergy's smelter tariff plus charges for transmission and ancillary services, if any, with respect such Tier 3 Energy.

The terms and conditions of the Agreement for *Electric Service* between Kenergy and Century dated July 15, 1998 (the "Century Power Agreement") are, to the extent applicable, incorporated herein by reference.

This the 14th day of October, 2008.

CENTURY ALUMINUM OF KENTUCKY  
GENERAL PARTNERSHIP

By: METALSCO, LLC, General Partner

By:

A handwritten signature in black ink, appearing to read "Robert R. Nielsen", written over a horizontal line.

Robert R. Nielsen  
Vice President and Secretary

CONSENT

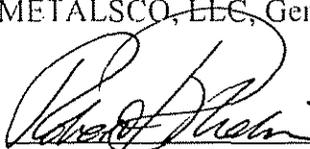
Century Aluminum of Kentucky General Partnership ("Century") hereby agrees with Kenergy Corp ("Kenergy") and Big Rivers Electric Corporation ("Big Rivers") that Century has reviewed the Supplemental Extension dated October 14, 2008 ("Supplemental Extension") to the First Amendment dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007, such Supplemental Extension to be effective from November 5, 2008, to a date that is the earlier to occur of March 2, 2009 or the closing date of the "Unwind Transaction," as that term is defined in the Supplemental Extension, and hereby consents to the execution, delivery and performance of the Supplemental Extension by Kenergy and Big Rivers for all purposes.

---

Dated: October 14, 2008

CENTURY ALUMINUM OF KENTUCKY  
GENERAL PARTNERSHIP

By: METALSCO, LLC, General Partner

By: 

Robert R. Nielsen  
Vice President and Secretary

RECEIVED

**SUPPLEMENTAL EXTENSION OF FIRST AMENDMENT  
DATED JUNE 6, 2008  
TO  
AGREEMENT FOR TIER 3 ENERGY**

OCT 15 2008  
PUBLIC SERVICE  
COMMISSION

THIS SUPPLEMENTAL EXTENSION is entered into as of this 14th day of October, 2008, by and between KENERGY CORP., a Kentucky electric cooperative corporation organized under KRS Chapter 279 ("Kenergy"), and BIG RIVERS ELECTRIC CORPORATION, a Kentucky electric cooperative corporation ("Supplier" or "Big Rivers").

RECITALS:

A. Kenergy and Supplier have entered into a First Amendment ("First Amendment") dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007 pursuant to which First Amendment Supplier agreed to sell to Kenergy and Kenergy agreed to purchase from Supplier for resale to Alcan Primary Products Corporation ("Alcan") 50 MW of System Firm Tier 3 Energy, denominated as Block A-1 Energy, during On-Peak Hours on Saturdays, Sundays and NERC Holidays during the ten (10) week period from July 1, 2008 through September 9, 2008. The rates, terms and conditions contained in the First Amendment have been accepted by the Kentucky Public Service Commission for resale by Kenergy to Alcan in KPSC Case No. 2008-00218.

B. By Extension dated September 5, 2008, (the "Extension") Supplier and Kenergy agreed to extend the First Amendment for a period of eight (8) weeks from September 10, 2008 through November 4, 2008 at a rate of \$50.00 per MWh.

C. Supplier, Kenergy, Alcan, E.ON U.S ("E.ON") and others are currently parties to a prospective transaction pursuant to which, if consummated, Supplier and E.ON will, among other things, terminate a certain Lease Agreement dated July 15, 1998 and related agreements.

Such prospective transaction is hereafter referred to as the "Unwind Transaction."

D. Supplier and Kenergy have now agreed to further extend the First Amendment from November 5, 2008 to a date that is the earlier to occur of March 2, 2009 or the closing date of the Unwind Transaction.

E. The Parties desire to document the foregoing by entering into this Supplemental Extension.

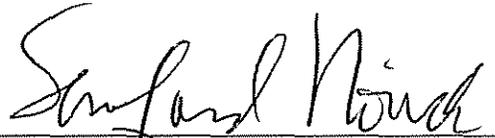
NOW, THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

1. The First Amendment, setting forth the delivery obligation of Supplier and the ~~purchase obligation of Kenergy for Block A-1 Energy, is hereby further extended from~~ November 5, 2008 to a date that is the earlier to occur of March 2, 2009 or the closing date of the Unwind Transaction.

2. All terms and conditions of the First Amendment and the Extension shall remain in full force and effect including the rate of \$50.00 per MWh.

IN WITNESS WHEREOF, this Supplemental Extension is hereby executed as of the day and year first above written.

KENERGY CORP.

By:   
Sanford Novick  
President and CEO

BIG RIVERS ELECTRIC CORPORATION

By: Mark A. Bailey  
Mark A. Bailey  
Executive Vice President and Chief  
Operating Officer

---

## REQUEST FOR POWER

Alcan Primary Products Corporation ("Alcan") hereby requests Kenergy Corp. ("Kenergy") to enter into the Supplemental Extension dated October 14, 2008 ("Supplemental Extension"), attached hereto, of the First Amendment dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007, such Supplemental Extension to be effective from November 5, 2008 to a date that is the earlier to occur of March 2, 2009 or the closing date of the "Unwind Transaction," as that term is defined in the Supplemental Extension. Pursuant to the Supplemental Extension, Supplier will sell to Kenergy and Kenergy will purchase from Supplier for resale to Alcan 50 MW of System Firm Tier 3 Energy, denominated as Block A-1 Energy, during On-Peak Hours on Saturdays, Sundays and NERC Holidays during said period at the rate of \$50.00 per MWh.

In consideration thereof, Alcan agrees to purchase from Kenergy at retail the delivered amounts of such Tier 3 Energy on the same terms and conditions and at the same rate contained in the Supplemental Extension plus the applicable distribution fee included in Kenergy's smelter tariff plus charges for transmission and ancillary services, if any, with respect such Tier 3 Energy.

The terms and conditions of the Agreement for Electric Service between Kenergy and Alcan dated July 15, 1998 (the "Alcan Power Agreement") are, to the extent applicable, incorporated herein by reference.

This the 14th day of October, 2008.

ALCAN PRIMARY PRODUCTS CORPORATION

By: J. J. M. for Pam Schneider  
Pam Schneider  
Treasurer

---

CONSENT

Alcan Primary Products Corporation ("Alcan") hereby agrees with Kenergy Corp. ("Kenergy") and Big Rivers Electric Corporation ("Big Rivers") that Alcan has reviewed the Supplemental Extension dated October 14, 2008 ("Supplemental Extension") to the First Amendment dated June 6, 2008 to the Agreement for Tier 3 Energy dated November 29, 2007, such Supplemental Extension to be effective from November 5, 2008, to a date that is the earlier to occur of March 2, 2009 or the closing date of the "Unwind Transaction," as that term is defined in the Supplemental Extension, and hereby consents to the execution, delivery and performance of the Supplemental Extension by Kenergy and Big Rivers for all purposes.

---

Dated: October 14, 2008

ALCAN PRIMARY PRODUCTS CORPORATION

By: J. M. for Pam Schneider  
Pam Schneider  
Treasurer